

Commonwealth of Kentucky
General Comments

Please read the enclosed material and instructions carefully.

The solicitation of the information contained in this package is for the purpose of preparing the Commonwealth's Comprehensive Annual Financial Report (CAFR) in compliance with Generally Accepted Accounting Principles (GAAP) as mandated by the General Assembly. The information submitted by the various departments, in conformity with the instructions contained herein, will enable the Finance and Administration Cabinet to determine assets, liabilities, and fund balances of its various funds as of June 30, 2008

The information obtained by this closing package, when combined with additional information gathered for fiscal year 2008, will enable the Finance and Administration Cabinet to determine revenues and expenditures/expenses for the Commonwealth's various funds for the fiscal year ended June 30, 2008, on a basis consistent with the provisions of generally accepted accounting principles applicable to governmental entities. It is imperative that the information requested be returned in a timely and concise manner to assure the accuracy of information presented in the Comprehensive Annual Financial Report.

General Instructions for Completion and Remittance of the Completed Packages

- A. A matrix (Form AFR 1) is included as part of this package. A separate AFR 1 form is to be completed for each department. Instructions for form AFR 1 are as follows:
1. Enter the date the form is completed.
 2. Enter the official department name.
 3. Enter the cabinet and department number.
 4. Enter the four-digit fund type number(s) in which the department has authorized account numbers established.
 5. If a form is submitted, indicate the number of each form submitted for that fund type (i.e. some funds might have multiple submissions of certain AFR forms). Enter an "N" if a form is not submitted for that department and fund type.
 6. Enter the name of the person who prepared this form.
 7. Enter the phone number of the person who prepared this form.

NOTE: The following chart shows the first characters of the eMARS funds in the left column and the related fund type in the right column. Applicable forms should be completed by fund type for each department.

<u>Fund</u>	<u>Fund Type Name</u>	<u>Fund Type</u>
01	General	0100
C	Capital Projects	0200
03	Debt Service	0300
11	Transportation	1100
12	Federal	1200
13	Agency Revenue	1300
14 or W	Other Special Revenue	1400
21	State Parks	2100
22	State Fair Board	2200
24	Insurance Administration	2400
25	Health Self-Insurance	2500
28	Agricultural Finance	2800
29	KY Horse Park	2900
31	Fleet	3100
32	Computer Services	3200
35	Prison Industries	3500
36	Central Printing	3600
37	Property Management	3700
38	Risk Management	3800
62	Unemployment Benefit	6200, 6210
63	Other Expendable Trust	6300, 6310
65	Tobacco Settlement	6350
72	Special Deposit Trust	7200
75	County Fees	7250

- B. Retain one copy of the completed forms for audit purposes and submit the originals. Work papers used in the completion of the forms should be retained with the department's copy.

- C. The certification letter should be typed on department letterhead and signed by the Cabinet Secretary for those cabinets with centralized accounting, by the Department Commissioners for those cabinets with decentralized accounting, or by the department head or executive director for other departments as appropriate.
- D. All information requested in this package must be returned by August 18, 2008, to the Division of Statewide Accounting Services, Financial Reporting Branch.

Special Notes

- A. Imprest cash disbursements not included on a schedule are disclosed separately from amounts already reported on a schedule. The disbursements on a schedule are separated according to reimbursement progress (“to be reimbursed” or “not reimbursed”) as of June 30.
- B. Only "old year" bills paid with "new year" allotments should be listed as accounts payable in the proper expenditure/expense object classification as defined per enclosed instructions. Do not include as accounts payable those "old year" bills which are paid during the closing period with "old year" allotments. Since "old year" bills processed during the closing period do not need to be included as accounts payable, every effort should be made to submit, for automated processing, financial transactions applicable to fiscal year 2007-2008 prior to closing. This could result in making the gathering of data relative to this solicitation less burdensome for your fiscal personnel.
- C. Accounts Receivable for fiscal year 2008 will not be listed for those documents that post to "old year" during the closing period. Receivables will be listed only for those documents that post to “new year” receipts.
- D. Amounts receivable from or payable to universities and other component units of the Commonwealth, should be included as accounts receivable and/or accounts payable on the appropriate schedules (i.e. AFR-30 and AFR-32 or AFR-70).
- E. Documents remaining in the suspense file that have not reached final status as of the close of fiscal year 2008 should be included on the appropriate AFR form.
- F. Intrafund transactions are those for which both the accounts to be charged and credited are in the same fund type (i.e. both fund type 1300).
- G. Interfund transactions are those for which the accounts to be charged and credited are different fund types (i.e. fund type 0100 and fund type 1300).
- H. Within the instructions for the AFR forms, references are made to fund reporting categories and associated fund types. The following is a listing of reporting categories and associated funds:
 - 1. Governmental funds: 0100, 0200, 0300, 1100, 1200, 1300, 1400, 1500, 6300, 6310, 6350
 - 2. Proprietary funds include:
 - a. Enterprise: 2100, 2200, 2400, 2500, 2900, 6200, 6210

- b. Internal Service: 3100, 3200, 3500, 3600, 3700, 3800
- 3. Fiduciary funds include:
 - a. Pension trust funds: 5000, 5051, 5056, 5100, 5200, 5300, 5320, 5400, 5500, 5600, 5751, 5752, 5756, 5758, 5759, 5800, 5900
 - b. Agency trust funds: 7200, 7250

Closing Package Assistance

- A. Forms and instructions may be obtained online at:
<http://finance.ky.gov/internal/mars/annualcloseout.htm>
- B. For general closing package questions, contact one of the following:
 - 1. Richard Ioos, 564-6691
 - 2. Kim Moore, 564-5120
- C. Upon completion, mail the signed forms to:

Division of Statewide Accounting Services
Financial Reporting Branch
702 Capital Avenue, Room 484
Frankfort, Kentucky 40601

Thank you for your assistance in completing this year's Comprehensive Annual Financial Report.